



# Hudson Valley Fruit Grower Task Force

...Working towards a viable farming future

## Members

### **Chairman**

Peter Barton  
Dutchess County

Mike Boylan  
Ulster County

Jeffrey Crist  
Orange County

Helene Dembroski  
Ulster County

Rod Dressel Jr.  
Ulster County

Alan Grout  
Columbia County

Russell Holze  
Columbia County

Elizabeth Ryan  
Dutchess County

### Advisor

Mike Fargione  
Cornell Co-op Ext.

Richard Butler  
First Pioneer  
Farm Credit

## **STATEMENT OF PETER BARTON BARTON ORCHARDS**

### **BEFORE THE**

### **SUBCOMMITTEE OF COMMERCE, JUSTICE, STATE AND JUDICIARY HOUSE APPROPRIATIONS COMMITTEE**

**May 22, 2003**

Mr. Chairman and distinguished members of the subcommittee, thank you for inviting me to participate in these proceedings and for recognizing that apple juice concentrate imports from the People's Republic of China are of great concern to apple growers in New York and growers across the country.

My name is Peter Barton. I am an apple grower in the Hudson Valley of New York, and I am Chairman of the Hudson Valley Fruit Growers Task Force. Our organization consists of 125 growers, with production on some 10,000 acres of pristine countryside in southern New York State.

Last year the primary goal of our task force was to bring public awareness to the devastating springtime freezes that destroyed most of the apples and other specialty crops in the Hudson Valley. I want to personally thank all in Congress who shared our concerns and included specialty crops in the Agricultural Assistance Act of 2003. We are now working to build a viable farming climate for the active farms.

The "valley" as we like to call it is one of the oldest commercial apple growing regions in the United States. We are proud of the role we play in providing consumers with one of the most wholesome and nutritious foods available, and we are proud of our heritage as contributors to the local economy and stewards of thousands of acres of scenic landscape and wildlife habitat.

Our tradition in the apple business is rich and it is our livelihood. I wish I were here today to report on our plans to expand our orchards, to create more jobs or to speak of success and bright prospects. Unfortunately, I am here to tell you that our livelihood is being threatened by a host of factors, not the least of which is cheap imports of apple juice concentrate from China.

Apple juice concentrate is becoming so cheap there is hardly a market left for juice-grade apples, which represent on average 20 to 40 percent of the apples we produce.

## **TESTIMONY OF PETER BARTON**

**May 22, 2003**

**Page 2**

Since apple juice processors can make apple juice from juice concentrate or squeeze the juice from apples, they choose the most economical option.

We are concerned that Chinese apple juice concentrate exporters will drop their prices so low that apple juice processors will make all of their apple juice from concentrate. Even now processors make the majority of their apple juice from imported apple juice concentrate. Before Chinese concentrate exporters began offering such low concentrate prices, apple growers were able to depend on processors to purchase nearly all of our juice apples. We viewed this market as a salvage market for apples that we could not market as fresh apples or through other higher value commercial channels. Revenue from juice apple sales went straight to our bottom line, and helped offset our per-unit cost per acre. In other words, it helped make us profitable.

We are concerned that apple juice concentrate prices will become so low, we will be unable to salvage a respectable return or even any return on 20 to 40 percent of apples we cannot sell in other markets because of blemishes, defects or other considerations.

It was our hope that we would be able to prevent Chinese exporters from overwhelming the apple juice concentrate market by filing an antidumping case against overly aggressive exporters of apple juice concentrate from China. Over the last two years, the dumping case did not prevent imports of Chinese concentrate altogether. However, it did establish a floor on concentrate prices that prevented rock-bottom concentrate prices. Additionally, the dumping case was a disincentive for Chinese exporters to offer suspiciously low prices because these exporters were being monitored by the Commerce Department, which had the authority to increase dumping duties if prices were found to be too low.

Now, even these reasonable measures have been effectively removed as a result of the Commerce Department's Nov. 2002, decision to choose Turkey as the surrogate market economy in constructing China's cost of production figures. Our industry thought we had a reasonable argument for the choice of Poland as the surrogate. Had Commerce chosen Poland, it is my understanding that we would have maintained the dumping duties that were in place for the past two years. Instead the Commerce Department's choice of Turkey as the market economy surrogate removed all of the duties on five of the nine Chinese firms participating in the review.

Commerce's decision has paved the way for these Chinese firms, which are the most active Chinese exporters, to operate with impunity in the concentrate market. I fully expect Chinese exporters to lower their concentrate prices this fall, and as a result I am guaranteed to receive lower prices for juice apples, if I can sell them at all.

As a grower and small business owner who is impacted by government policies and decisions I appreciate this opportunity to voice my disappointment in the Commerce Department's choice of Turkey as the market economy surrogate. It is my understanding that Commerce's decision was a close call. Under the circumstances, I would have expected the Commerce Department to side with American growers. I will

## **TESTIMONY OF PETER BARTON**

**May 22, 2003**

**Page 3**

never understand why the Commerce Department sided with Chinese apple growers and not with U.S. growers like me.

I want to close by telling you about my own experience at Barton Orchards. We are located about 65 miles north of New York City. I personally produce a variety of crops on 122 acres for the public to come and pick. My main commodity is apples. I am also in my eighth year as an elected Councilman in my hometown of Beekman, New York.

Ten years ago, I was growing apples on 200 acres on several farms. My present operation produces one-third of the volume on one farm. Those other two farms have now produced a more profitable crop, that being residential housing.

High taxes and labor costs, regulatory requirements, and depressed commodity pricing over the years forced us to adapt to a different marketing strategy. A few years ago, as a survival measure, Barton Orchards changed from wholesale to direct marketing on site. The pick-your-own concept has become the latest craze in marketing for surviving farm operations in our county because of its proximity to New York City.

Ten years ago, numerous processing facilities in our region would rely on Hudson Valley growers for cider apples in order to keep their plants running. Loads of fruit constantly left our farms and brought much needed revenue. Today, I must continually plead to the one remaining processing plant left in the Hudson Valley to send trucks to our farm at a price, which is below the cost of production. In the year 2000, those trucks never showed up. That year I produced more cider apples than 10 years ago, on one-third the acreage. Right away, your thoughts are to dismiss my operation and professionalism and write off my hardship to poor management. Unfortunately, it is the change of my operation to u-pick that has caused this increase. The public, through their ignorance, creates the largest harvesting waste imaginable in our industry.

As a direct marketer, I am a true ambassador for Agriculture, directly communicating with the American consumer. I am here to respectfully inform you, Mr. Chairman and subcommittee members, that farming in this great country is in trouble. The lack of public education and understanding about agriculture is eroding our consumer base, which threatens the existence of our profession. And this is all happening in my generation. A cheap food supply along with an overabundance of products from around the world has armed the consumer with a false sense of security.

China's export of apple juice concentrate to the U.S. market is eroding the future of our family farms. Imagine working hard to produce a top-quality product only to find there is no outlet for it. I am not here to complain about slim profit margins or even a break-even market. I am talking about total loss. We are producing crops that have no market value, not because of overproduction by me or my fellow growers, but because China is dumping its overproduction on the U.S. market.

**TESTIMONY OF PETER BARTON**

**May 22, 2003**

**Page 4**

I would like to thank the Chairman and members of the subcommittee for this opportunity to give you a glimpse of what is happening out in the countryside and how these larger issues eventually come home to roost with real farmers and real families.

I would be glad to answer any questions at this time.